

MICHIGAN STATE WATERWAYS COMMISSION
REGULAR MEETING

Minutes of the meeting of
June 13, 2003
Little Bear East Skating Arena
St. Ignace, Michigan

A regular meeting of the Michigan State Waterways Commission was called to order by Vice Chairman Opolka at 9:00 a.m. on Friday, June 13, 2003, in the Little Bear East Skating Arena, St. Ignace, Michigan. The following Commissioners were present:

Frank Opolka, Vice-Chairman
David Giffin, Secretary
Peter Beauregard
David Johnson
Bob Spicer
Jon VanderMolen

Chairman Winn was excused.

George Burgoyne, Resource Management Deputy, and Lansing staff were present.

Vice Chairman Opolka thanked the City of St. Ignace for the Luncheon Dedication of the Harbor in St. Ignace on June 12, 2003. He also expressed appreciation for the use of the Little Bear East Skating Arena for the Commission meeting.

Upon motion by Commissioner Beauregard, seconded by Commissioner Giffin, the minutes of the April 25, 2003 meeting in Alpena were approved.

Project Status Report – Bill Boik, Department of Natural Resources, provided a description of current harbor projects. The City of St. Ignace is in the final stage of completion for their Harbor upgrade. The Dedication was held on Thursday, June 12, 2003 and the Harbor should be open for business within the next three weeks. The City of Traverse City is moving forward with their Harbor upgrade. The Dedication will be held in August, 2003. The dredging project currently underway in Traverse City has experienced some problems but is moving forward. Cedar River excavation work is also moving forward, contracts have been let and bidding will begin for the next two phases of the project. Tri-Centennial Harbor has had the seawall located at far end of the area fixed; however, the engineers have found another failed section and costs estimates for repair are being prepared. Final designs for the dock have been submitted. Mr. Boik stated that there are design challenges for upgrade to the electrical outlets because of the weight of the wire. Hammond Bay permits are moving forward. Permits are in hand for the City of Mackinaw City harbor project. Mackinac Island and Presque Isle are looking to bid on their respective pending projects.

Boating Access Sites (BAS) – Mr. Boik stated that the Crystal Lake (Benzie County) BAS has the final engineering contract in place and will be letting bids at the end of this

summer. Pickerel Lake BAS has been closed down due to a road site distance problem cited by the Washtenaw County Road Commission. The MDNR denied Harrisville's request for use of the local BAS for their July 4th fireworks show based on safety concerns. The United States Army Corp of Engineers eventually approved the use of the breakwater area for the celebration.

Commissioner Johnson asked if Mr. Boik had verified the flat T dock design for the Tri-Centennial Harbor with Mr. Dan Carmichael and Mr. Boik stated he had.

Vice-Chairman Opolka recognized Representative Matt Gillard.

Bois Blanc Island – Mr. Boik has investigated and is recommending a phase in to bring ferry service fees in line with other providers by raising the rates at Bois Blanc 20 per cent each year for the next five years, beginning in 2004.

Commissioner Giffin asked if his request for a comparison between Bois Blanc Island and Beaver Island had been compiled. Mr. Boik stated that an adult round trip ticket for Beaver Island is \$34; an adult round trip ticket to Bois Blanc is \$10; a vehicle (car) round trip ticket to Beaver Island is \$120 and a vehicle (car) round trip ticket to Bois Blanc is \$30. Mr. Boik also stated there is a significant difference in distance between Bois Blanc and Beaver Island and their respective departure points – 25 nautical miles to Beaver Island and 6 nautical miles to Bois Blanc.

Commissioner Giffin inquired as to what the lease payment is on Beaver Island. Mr. Boik replied that he would need to figure it out as there are tax deductions for buildings, etc. Commissioner Giffin stated that the Commission is looking at all of the factors in reaching a fair assessment for both Beaver Island and Bois Blanc Island. Mr. Boik believed the lease payment was about \$11,500, but the calculations involve some principal and interest for promissory notes.

Mr. Graham Whipple, Chairman of the Bois Blanc Harbor Commission and also the Harbormaster stated that Bois Blanc wants to continue to set their own rates as they have in the past. He stated that they are solvent and that they have never asked the state for subsidies or money for repairs. They currently have 4 mil levy for dock repairs and the \$72,000 generated is sufficient for repair matters. He believes that if there is an increase in ferry fees, that it will be on the back of the people who live on the Island. The citizens passed the levy for dock repairs because they did not want to increase ferry fees.

Commissioner Giffin asked what subsidies Beaver Island has that Bois Blanc doesn't have. Mr. Whipple believes that the state bought the Beaver Island ferry.

Commissioner Giffin moved that the discussion on this issue be tabled until the August, 2003 meeting. Commissioner Beauregard seconded and it was unanimously agreed that the discussion on Bois Blanc be tabled until August, 2003 and that DNR staff would prepare information relevant to the discussion.

Commissioner Giffin asked if Bois Blanc was proposing that they would not request funding from the state if the state would refrain from interaction. Mr. Whipple replied

that Bois Blanc would still go to the state for big projects, such as boating access sites, but he does feel that they are self sufficient and would not need other state funding.

George Burgoyne, DNR Resource Management Deputy, advised the Commission that the senate DNR budget bill includes a line item of \$50,000 for dredging Sebewaing harbor. This was not requested by the Department.

There were no reports from any standing committee.

The City of Frankfort requested permission to increase their boat launching, storage, and seasonal pass rates. Upon motion by Commissioner Giffin, seconded by Commissioner Johnson, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the City of Frankfort's daily fee schedule request for an increase from the current \$4.00 for boat launching fee to \$5.00; increase from the current \$4.00 for storage to \$5.00; and a season pass currently at \$40.00 to remain the same.

The City of Port Huron requested a monthly rate schedule to try to bring more use to their River Street and Water Street Municipal Marinas. The monthly rate (applied only to slips with water and electricity) would be formulated at 1.5 times the seasonal rate divided by 5.5 (number of months of boating season) This would equate to a higher fee than a full season calculated monthly rate, but would be 42% lower than the daily transient rate.

Commissioner Beauregard stated that the City of Port Huron's marinas have some of the oldest facilities and have an added challenge of travel under 4 bridges. He said that it may take 1.5 hours to travel the 1 mile distance from the marina to the lake.

Commissioner Spicer questioned whether lower rates should be considered for all the slips as might not be fair to boaters who have paid regular rates. Upon motion by Commissioner Giffin, seconded by Commissioner Johnson, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the City of Port Huron's request for a monthly rate be approved with the stipulation of a year end report to the Commission on its effectiveness.

The Village of Sebewaing has asked for permission to enter into an interim agreement and to then later work out longer term arrangements regarding the buy out of the current lease holder at the Sebewaing Marina. Commissioner Johnson asked about the fairness of buy out. Mr. Boik stated that the operator is not allowed to close the marina because the agreement with the DNR will not allow closure. It was pointed out that this is the second operator at the facility and he has not built up any equity. Commissioner Beauregard expressed his incredulousness that a marina was ever constructed on that particular site.

Upon motion by Commissioner Beauregard, seconded by Commissioner Giffin, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the request of the Village of Sebewaing to enter into an interim operating agreement for the Sebewaing Marina with the Village of Sebewaing. In addition to the initial negotiations on the interim operating agreement, the Village of Sebewaing will meet with DNR staff on a longer term arrangement which will be presented at the Michigan State Waterways Commission meeting in December, 2003. It is also on the record that the Michigan State Waterways Commission opposes the allocation of \$50,000 for the dredging of Sebewaing Harbor.

The City of Rogers City requested that charter boats be allowed to charter out of the marina in preparation for the Great Lakes Professional Anglers Association tournament. The City is requesting August 11, 2003 through August 18, 2003 for the chartering to be allowed out of the Rogers City Marina. On August 16, 2003 and August 17, 2003 the official tournament will be held with the additional time requested for practice. The City assured the Commission that the tournament will not interfere with transient boaters using the facility. John Bruning, City of Rogers City City Manager, Ken Rasche, Rogers City Harbormaster and Joe Signorelli, City of Rogers City were present to answer questions.

Commissioner Opolka asked about the “practice” stipulation. Representative Gillard replied that the practice session is very typical of tournaments. Upon motion by Commissioner Giffin, seconded by Commissioner Beauregard, it was unanimously

RESOLVED, that the Waterways Commission does hereby approve the request of the City of Rogers City be granted with the mutually agreed to stipulation that a report is made to the Commission after the event.

Presque Isle Harbor Lease Corporation has asked for 10 year lease on the current facility; it was noted that the current lease doesn’t expire until 2007. Mr. Boik recommended that DNR staff work out issues regarding leasing infrastructures and negotiating with the current lease holder.

Commissioner Giffin stated he supports keeping the restaurant at the marina because he understands that is the “heart” of the place. Commissioner Beauregard stated that parking is a problem and must be part of any long term plan.

Representative Gillard is aware there are problems but pointed out that the operators are looking for a long term lease so they know how they can budget for capital improvements. Representative Gillard reported that a recent change in hours has created a problem with access to the rest room. They were open to the public on a 24/7 basis, but now are closed at various hours. He believes that boaters are concerned about the lack of availability to the rest rooms at this location.

Mr. Burgoyne replied that the restrooms are open when staff is on-site, typically 6:00 a.m. to 10:00 p.m.

Commissioners Johnson and Giffin requested that staff bring a recommendation to the Commission following discussion with the Township on the parking issue and the restroom situation.

Commissioner Beauregard asked for a complete report from the Finance Committee as to how much funding is available and for a full account. This will be included on the next agenda under Standing Committee Reports. Commissioner Giffin asked to see percentage of where the money goes for administrative costs.

Commissioner Spicer requested additional information on how slips are awarded in a seasonal lottery. This will be included on the next agenda under New Business.

Representative Gillard stated that Presque Isle is on the lottery system. Many boaters cannot justify an upgrade because they simply don't know if a slip will be available to them or not. Representative Gillard opts for the lifetime renewal, with the understanding that the program be continually examined to see if that area of the state still requires this option. Commissioner Giffin can't recall a meeting where boaters said they can't find room. Representative Gillard believes that this problem is peculiar to the northeast Michigan coast because there are no private marinas in the area. Commissioner Giffin cautioned that transient boaters will not tolerate a public facility being treated as a private marina.

St. Ignace also supports the idea that renewal for slips is the best approach in this area. Representative Gillard stated that the northeast coast of Michigan is an area without private facility usage. He believes this is the point that NEMCOG presented at the Waterways Commission meeting in Alpena in April and feels that a more regional consideration must be made in this situation. Also pointed out was that some of the harbors in the northeast section of the state are in excellent shape because of volunteer programs like those run in Rogers City, Harbor Beach and Presque Isle.

Mr. Boik stated that the only time the state runs a lottery is if we add to a marina or just open one up. Mr. Boik also said that there are waiting lists for slips. The lottery was held at Presque Isle because this is the first year the State has taken over the operation of the facility and is cleaning up past practices by the concessionaire. Mr. Boik said the state will honor commitments to boaters who have slips. The appropriate number of seasonal slips will be recommended after the boating season use statistics are analyzed.

The meeting was adjourned at 10:10 a.m.

As currently scheduled, the next Waterways Commission meeting will be held on Friday, August 8, 2003 at 9:00 a.m. in Traverse City, Michigan.